USDA

United States
Department of
Agriculture

Office of the Chief
Information Officer

1400 Independence
Avenue SW

Washington, DC
20250

NOV 1 3 1998

Honorable Jacob J. Lew
Director
Office of Management and Budget
OIRA Docket Library
New Executive Office Building, Room 10102
Washington, D.C. 20503

Dear Mr. Lew:

Enclosed is the U. S. Department of Agriculture (USDA) Quarterly Report for November 1998 regarding our efforts to resolve the Year 2000 problem. We are committed to making all USDA systems compliant to ensure business continuity and maintain access to programs and services.

If you or your staff have any questions, please contact Dr. Gregory Parham, USDA Year 2000 Program Executive Director. He may be reached on (202) 690-0048.

Sincerely,

Anne F. Thomson Reed
Chief Information Officer

Enclosure

Status of Department of Agriculture Year 2000 Efforts
Quarterly Progress Report for November 1998

I.   <u>Overall Progress</u>. **Provide a report of the status of agency efforts to address the Year 2000 problem which includes an agency-wide status of the total number of mission-critical systems.**

Total Number of Mission-Critical	Number Compliant	Number To Be Replaced	Number To Be Repaired	Number To Be Retired
August Report 647	406 63%	56 9%	171 26%	14 2%
August Report with revised baseline 362	155 43%	49 13%	152 42%	6 2%
November Report 362	234 65%	41 11%	79 22%	8 2%

Note: A complete cross-walk of these changes is in Attachment 1.

In the August 1998 report, USDA tracked at total of 647 mission-critical system and reported 63 percent compliant. In a recent management alert, on Year 2000 conversion, the Office of Inspector General recommended department-wide adoption of the standard definition, which has resulted in a significant reduction in our total number of mission-critical systems. A system is defined as a collection of components that support core business processes or activities and enable production, program, or service delivery. In the August report, the majority of changes occurred within the Forest Service which dropped from 423 to 17 systems. Since then, the National Agricultural Statistics Service has dropped from 264 to 13 systems. Other changes resulted because of:

- systems being retired
- re-evaluation of priorities
- replacement of systems

As USDA moves toward the March 1999 deadline, efforts are being directed to ensure business operation of mission critical systems. Since August, we have been engaged in a Department-wide effort to identify core business processes and development of business continuity (contingency) plans. Extensive training has been completed to assist the agencies completing this effort and meeting the October 30 milestone. Agencies have submitted their business continuity plans to the Office of the Chief Information Officer for review. These plans include the mapping of all mission critical systems. In addition, we have identified 54 mission-critical systems which will be tracked as departmental priorities and have major impact regarding health and safety, financial impact, and economic repercussions to delivery of programmatic businesses and services.

II. **Progress of Systems Under Repair. Provide a report of the status of agency efforts to address the Year 2000 problem which includes the status of systems under repair.**

1. The attached chart provides a snapshot of USDA status in the four step process of repairing systems.

	Number of Systems which have been or will be Repaired	Assessment Phase Complete	Renovation Phase Complete	Validation Phase Complete	Implementation Phase Complete
Milestones		10/1997	09/1998	01/1999	03/1999
Current Number	270	270 100%	256 95%	210 78%	191 71%

Agencies use a variety of techniques to validate that repaired systems function properly: internal user tests, tests in simulated Year 2000 environments, and independent verifications and validation.

b. **Status of Mission Critical Systems. Provide a description of progress in fixing or replacing mission critical systems.**

Of the 270 mission-critical systems being repaired, 256 (95%) are now renovated. In every instance, we have directed agencies to obtain Executive Sponsor certification of all systems identified as being Year 2000 compliant, and steps are being taken to have certifications provided to the Office of the Chief Information Officer.

3. Status of Non-Mission Critical Systems. Provide a description of progress in fixing **non-mission critical systems, including measures that demonstrate that progress.**

Total # of Non mission-critical	Number Compliant	Number to be Replaced	Number to be Repaired	Number to be Retired
741	312 42%	63 8%	217 30%	30 4%

d. **Provide a description of the status of efforts to inventory all data exchanges with outside entities and the method for assuring that those organizations**

will be or have been contacted, particularly State governments. Provide a description of progress on making data exchanges compliant.

USDA is an active member of the State Issues and Data Exchange Working Group of the CIO Council's Year 2000 Sub-Committee. The following table outlines our progress in making state exchanges compliant:

Status of State Data Exchanges			
	Number of Exchanges	Number Compliant	Percentage Compliant
August 1998	848	199	23%
November 1998	848	514	61%

USDA continues to update the Federal Year 2000 Data Exchange On-Line Reporting Database, and work with states in providing state information resources managers with information which can assist them in tracking their exchanges and validating compliance. USDA is obtaining written agreements from all data exchange partners for Year 2000 compliance. As an example, Rural Development agencies have concluded memoranda of understanding with banks and other partners to minimize the possibility of data non-compliance. In addition, USDA has identified data exchanges with more than 20 foreign entities.

The Food and Nutrition Service (FNS) monitors and reports Year 2000 compliance for state systems critical to administering the Food Stamp Program (FSP) and the Women, Infant and Children (WIC) Program. State Year 2000 compliance information is collected and reported for software development, hardware and telecommunication. FNS will continue to monitor Year 2000 programs on a quarterly basis, and will be working more closely with those states which are reporting that they will not be Year 2000 compliant until 1999 or later. For those states who indicate they will be compliant in 1998, FNS is requesting a letter from the state certifying Year 2000 compliance as soon as they are complete. FNS will also be focusing on contingency plans. FNS will make sure that all states have either certified their systems are compliant or certify that they have a contingency plan in place.

e.   **Provide a description of efforts to address the Year 2000 problem in other areas, including facilities, biomedical and laboratory equipment, products using embedded chips.**

The Office of the Chief Information Officer Year 2000 Program Office is working closely with the Office of Inspector General to review agencies with scientific and

laboratory equipment. Efforts in this area must be addressed to ensure that agencies which are certifying equipment as compliant have taken measures to ensure the health and safety of laboratory employees and the public.

f. **Provide a description of efforts to address the Year 2000 problem for buildings which your agency owns or manages. If your buildings are owned or managed by GSA, you should only report on those systems for which you have direct responsibility. You do not need to report on systems which are the responsibility of GSA. Please indicate if you are a member of the Building Systems Working Group of the Year 2000 Subcommittee of the CIO Council.**

As part of our effort, USDA is an active member of the Building Systems Working Group of the Year 2000 Subcommittee of the CIO Council. In the August report, USDA had not completed its inventory of buildings. This effort has been completed by the agencies and we are in the process of reviewing the inventory.

Several agencies have taken a steps to ensure that building are year 2000 compliant. Most agencies with leased buildings are working with the lessors and have received certifications that the buildings are either compliant or are being assessed for Year 2000 compliance.

The Forest Service, the leading agency with owned building, has identified critical systems, such as key card entry systems, fire alarm systems, and digital security controls which must be repaired or replaced. The remediation cost is estimated at $2 million. The Agricultural Research Service has identified 685 critical building systems, 85% of which are compliant and 10% are non-compliant. Work is continuing on the remaining 5% of the systems. The estimated repair cost is $375,000.

These inventories have been shared with the Departmental Administration staff which will be reviewing the inventory and meeting with agencies to discuss concerns. As we move into the renovation phase, most agencies reporting problems have projected a cost for repairing or replacing these critical systems which contain embedded chips. Agencies across USDA are now realizing the cost involved with vulnerable systems.

The Independent Validation and Verification of the Washington Headquarters Complex which includes the South Building, Whitten Building, Cotton Annex, Auditors Building, and the new Beltsville Office Facility has been completed by an outside contractor. Departmental Administration is responsible for the delegated authority of the Washington Headquarters Complex and will be addressing the areas of concerns identified in the report:

- Fire Control and Alarm Systems

- Elevator Control Systems
- Heating & Ventilating and Air-Conditioning Systems (HVAC)
- Security Management Systems

The Office of Inspector General is beginning an extended review of the Renovation Phase to include vulnerable systems and telecommunications systems.

g.   **Provide a description of efforts to address the Year 2000 problem in the telecommunications systems which your agency owns or manages. If your systems are owned or managed by GSA, you do not have to report on those systems. Please indicate instead whether or not you are a member of the Telecommunications Working Group of the Year 2000 Subcommittee of the CIO Council.**

USDA is an active participant in several Year 2000 telecommunications forums including the CIO Council Sub-Committee Working Group on Telecommunications and the Telecommunications Working Group of the President's Council on Year 2000 Conversion. USDA management is working closely with other executive branch departments and the vendor community to define the scope and develop the solutions for the Year 2000 compliance requirement.

A Year 2000 Telecommunications Working Group was established at USDA. This working group will be the forum by which any Year 2000 telecommunications information, including best practices and lessons learned, will be disseminated. Special emphasis will be placed on testing, independent verification and validation and contingency planning.

The department-wide telecommunications inventory has been completed. The Office of the Chief Information Officer is requesting funding to centralize telecommunications remediation efforts, which are common across agencies, to give strong leadership to the management of the telecommunications remediation effort throughout USDA. Funding would complement the funds currently available to the agencies and would permit closer coordination of remediation efforts, including leveraging of resources.

The Forest Service has begun a major effort to perform an independent verification and validation of telecommunications equipment. This activity will examine the equipment inventory and validate the Year 2000 status of each piece of equipment. The statement of work for this activity has been developed and released to the vendor community for bids.

The Local Area Network/Wide Area Network/Voice Communications Project staff has begun a major effort to verify the Year 2000 status of selected telecommunications equipment installed as part of this project. Hardware and

software tests will be conducted at a contractor test facility. An independent verification and validation will be conducted concurrently with these tests.

The Rural Utilities Service is committed to helping its borrowers - rural electric and telecommunications services - to become Year 2000 compliant. Since the danger of noncompliance may be greater in rural areas where service providers may be small and isolated, Rural Utilities Service has adopted a plan to work with every borrower toward Year 2000 compliance. The Rural Utilities Service has released 2 regulations and an announcement regarding loan feasibility. All of these indicate that loan applications containing a Year 2000 compliance component would be considered on an expedited basis.

8.   Provide a description of the status of the Year 2000 readiness of each government-wide system operated by your agency.

The National Finance Center has completed the renovation of the mission-critical systems which provide government-wide services: payroll and personnel, the Thrift Savings Plan, administrative payments, billings and collections, accounting and property. Systems are now being tested for Year 2000 compliance using a test platform "Time Machine" which provides Year 2000 simulation.

i.   **Please include any additional information which demonstrates your agency's progress. This could include charts or graphs indicating actual progress against your agency's schedule, lists of mission critical systems with schedules, success stories, or other presentations.**

As of October 31, 1998, 234 (65%) of our 362 mission-critical systems are compliant. Of the 270 systems undergoing repair, 256 (95%) have met the renovation milestone date and 210 (78%) have met the validation milestone.

The following activities have occurred since our August 1998 Quarterly Report:

The Chief Information Officer has strengthened the Year 2000 Program Office by instituting an Integrated Business Team. Team members are senior-level staff who report directly to the USDA Year 2000 Program Office Director. The team works directly with the mission area Year 2000 staffs to identify and solve problems, resolve issues, clarify policies and reporting requirements, and ensure that mission area progress is being made in a timely fashion.

USDA has instituted an Internet-based reporting system which allows agencies to input system information, including descriptions, milestones, and current status, and information from contingency plans. The information provides USDA with a "real time" status of Year 2000

remediation which assists managers, oversight organizations and the general public who have an interest in the progress of USDA's Year 2000 efforts.

USDA is working with the Office of Management and Budget to define USDA requirements for emergency supplemental appropriations for Year 2000 remediation. USDA agencies have identified and prioritized funding requirements.

The National Information Technology Center has established a Year 2000 testing environment. This effort will assist many agencies in fully testing the end-to-end process for compliance. Our National Finance Center has established a separate mainframe computer (Time Machine) just for year 2000 testing. As a result of testing through these environments, USDA is able to detect errors which were not caught through normal testing procedures. The Office of the Chief Information Officer is requiring all agencies to utilize the Year 2000 testing environment established at these computer centers.

USDA has instituted an internal grading system for agencies on Year 2000 similar to the OMB grading process. The results have been very positive. Success stories, lessons learned and best practices have been highlighted, and areas of concern have been identified.

Specific Outreach efforts:

The President's Council on Year 2000 Conversion has tasked USDA with coordinating a comprehensive assessment of the Year 2000 readiness of the food supply chain. The Food Supply Sector, which USDA chairs, is implementing plans for a preliminary assessment to be included in a report to the public by the President's Council in mid-December. An initial meeting with food industry representatives was held in October; participants include the National Grain and Feed Association; Food Distributors International; American Meat Institute; National Farmers Union; Grocery Manufacturers Association; the National Waterways Conference; and the Food Marketing Institute. Some of these organizations reported that they are now conducting Year 2000 awareness activities; and others have begun to survey their memberships.

Foreign Agricultural Service (FAS) has tasked overseas USDA posts to perform a preliminary qualitative assessment of the Year 2000 preparedness of the food supply sector of their host countries in support of the International Working Group's effort to assemble an international database on Year 2000 readiness. FAS has provided preliminary assessments on over 50 countries to the Y2K Council International

Working Group. As of November 10, USDA and the Environmental Protection Agency were the only agencies which had provided information for this database on 27 key sectors worldwide.

FAS field offices have been tasked to prepare a more thorough assessment of the Year 2000 readiness and vulnerability of our foreign markets, suppliers and competitors in five broad commodity subsectors. These commodity subsectors are Grain, Oilseeds and Products; Meat, Poultry and Eggs; Fruits and Vegetables; Dairy; and Consumer Ready Products. This assessment will allow USDA to evaluate potential effects on U.S. agricultural exports and, of equal importance to the Food Supply Working Group, potential disruptions of food supplies to American consumers.

The Food Supply Working Group has sent out awareness information and assessment tools to over 600 trade associations and commodity groups involved in the food sector.

USDA was an active participant in the National Year 2000 Action Week held October 19 - 23. USDA was involved in the following activities:

> The Cooperative State Research, Education and Extension Service developed a Year 2000 tool kit which was issued to over 3,100 county extension agents and educators. The tool kit contains information to be used with clients who have questions or concerns about the Year 2000 problem and their own technology situations. The toolkit was built to create awareness of potential problems, to create understanding of the importance of taking immediate action in checking systems for possible problems, and to instruct the public on where they can find assistance in solving any Year 2000 problems. Each kit contains public service announcements for farmers and consumers, brochures, model Year 2000 media and information plans, and Year 2000 articles for reproduction. As part of our efforts to educate the rural community, Cooperative, State, Research, Education, & Extension Service conducted an extensive multimedia outreach campaign, including print, audio, video, Internet web sites, and a 1-800 number.

> USDA conducted a satellite conference, "The Year 2000 Challenge For Small Business and Manufacturers", helping small firms achieve Year 2000 compliance. The Director of the Iowa Manufacturing Technology Center described easy-to-use methodologies and tools which enable small agri-business and other firms to ascertain whether they have a Year 2000 problem and what steps are available to remedy the problem.

USDA's Chief Financial Officer was the keynote speaker for the Second Annual Women's Conference for Lawrence Chamber of Commerce in Lawrence, Kansas, giving a speech entitled "What the U.S. Government is doing to prepare for Year 2000." The Chief Financial Officer is also providing all of its customers a copy of the August 5, 1998 video taping of the USDA's payroll process - including information from Department of Treasury and the Federal Reserve Bank.

USDA's Rural Development - Rural Business-Cooperative Service sponsored a State Directors' Policy Meeting. The USDA Year 2000 Program Office provided insight on USDA's Year 2000 efforts and an overall perspective of impacts to Rural Developments program delivery.

Rural Development published Year 2000 related news articles to USDA customers through its Rural Development Cooperative's magazine. Distribution reached internal customers and those who use computers in business dealings with USDA - especially those with whom USDA has entered into business partnerships, such as loans and grant recipients and service providers.

As part of weekly broadcast efforts, USDA aired video clips on the status of USDA Year 2000 efforts from the Chief Information Officer and the Under Secretary of Food Safety.

The Grain Inspection, Packers and Stockyard Agency sent "open letters" to national, regional, and local grain, rice, chicken, pork, and beef organizations. More than 6,000 organizations were reached by these letters. Many of these organizations are small-to-medium size businesses which are most vulnerable to Year 2000 problems. The goal of both letters was to raise awareness of the problem, particularly regarding financial risks.

USDA continues its membership on 17 of the President's Council on Year 2000 Conversion sectors, which include: benefits payments, building operations, education, emergency services, energy (electric power), finance (banking, guarantee agencies & investments), food supply, health care, housing, human services, insurance, international trade, science & technology, small business, telecommunications, transportation, and water & wastewater.

The Animal and Plant Health Inspection Service (APHIS) has met with the Air Transport Association, the nation's oldest and largest airline trade organization with 23 U.S. and 5 international members, to further Year

2000 awareness and remediation. Member airlines transport over 95 percent of all passenger and cargo traffic in the United States. APHIS is scheduled to brief the Association again in November 1998.

Cooperative, State, Research, Education, & Extension Service presented Year 2000 information at two national conferences which were attended by the communication and information technology leadership at land grant universities.

USDA agencies are actively engaged in providing informational memorandums to all regional offices, state directors, affiliates, and land grant universities. The memos provide background on Year 2000, highlighting the potential impact of unresolved problems, and include sources to assist organizations in becoming compliant.

USDA officials continue to include Year 2000 remarks in speeches and presentations. Year 2000 presentations and materials will be a part of appropriate sponsored events.

USDA continuing to work with agricultural press to explain the potential impact of Year 2000 on program delivery.

III. **Verification Efforts**.

a. **Describe how and to what extent internal performance reports, (i.e., compliance of systems repaired and replaced) are independently verified. Provide a brief description of activities to assure independent verification that systems are fixed and to assure that information reported is accurate. Also identify who is providing verification services (for example, Inspectors General or contractors).**

Several agencies have conducted independent verification and validation reviews to ensure that their Year 2000 remediation efforts have been successful. These reviews occur after the implementation phase and during the validation phase as an added level of assurance of Year 2000 compliance. Agencies include the Farm Service Agency, Rural Development, Agricultural Marketing Service, the Grain Inspection, Packers and Stockyards Administration, Food and Nutrition Service. Methods of independent verification and validation include setting up test and simulation laboratories using independent quality assurance staffs or contractor support.

As part of the strategy for addressing areas of potentially high risk, the Office of the Chief Information Officer performed an independent verification and validation for two major projects which are using replacement as the means for achieving Year 2000 compliance. The review of the Risk Management Agency returned

favorable findings and validated that agency's approach to system replacement. A comprehensive review of the Forest Service Project 615 is now underway. In addition, an independent verification and validation review of the Washington Headquarters building complex has been completed.

The Office of Inspector General continues to play a role and is actively engaged in monitoring and auditing the progress of USDA component agencies' Year 2000 efforts. The Inspector General has issued management alerts, which are short term reviews to highlight areas where immediate action can be beneficial. The Office of Inspector General has conducted longer-term audits in various segments of USDA related to the Assessment and Remediation phases. An audit of the Validation Phase of our Year 2000 program will begin in November 1998 and focus on telecommunications and vulnerable systems. These audits are part of the overall strategy for achieving compliance and identification of areas where we may have problems.

The General Accounting Office continues to conduct several assessments of Year 2000 activities within USDA. Its efforts have been helpful in identifying opportunities for improvement and validation of our approaches and successes. GAO is now conducting a review of our business continuity planning and Food Supply Working Group efforts.

IV.   Organizational Responsibilities.

1.   **Describe how your Department/Agency is organized to track progress in addressing the Year 2000 problem.**

The Chief Information Officer has strengthened the Year 2000 Program Office by instituting an Integrated Business Team. Team members are senior-level staff who report directly to the USDA Year 2000 Program Office Director. The team works directly with the mission area Year 2000 staffs to identify and solve problems, resolve issues, clarify policies and reporting requirements, and ensure that mission area progress is being made in a timely fashion.

In addition to the previously reported functional areas (information technology systems, telecommunications systems, vulnerable systems/processes, and data/crosscutting issues), the agency program managers now have responsibilities in the areas of:

•   Business Continuity (Contingency) Planning
•   Year 2000 Testing/Independent Verification and Validation
•   Year 2000 Outreach
•   Year 2000 Reporting

2.   **Describe the responsible organizations for addressing the Year 2000 problem**

within your Department/Agency and provide an organizational chart.

The organizational description previously reported is still valid. As described in Section II(i) of this quarterly report, the Chief Information Officer has strengthened the Year 2000 Program Office by instituting an Integrated Business Team to work directly with the mission area Year 2000 staffs.

3.   **Describe your Department/Agency's processes for assuring internal accountability of the responsible organizations. Include any quantitative measures used to track performance and other methods to determine whether the responsible organizations are performing according to plan.**
There are no changes this period to our processes for internal accountability. As reported in August 1998, USDA revamped its internal reporting process to provide more accurate and timely management information. The Year 2000 Program Office tracks the progress of component agencies to assure compliance with established goals and milestones. Monthly reports detail progress on remediation of systems.

USDA has instituted an Internet-based reporting system which allows agencies to input system information, including descriptions, milestones, and current status, and information from contingency plans. The information provides USDA with a "real time" status of Year 2000 remediation which assists managers, oversight organizations and the general public who have an interest in the progress of USDA's Year 2000 efforts.

The Office of the Chief Information Officer Year 2000 Program Office is receiving certification letters from agency Executive Sponsors on all systems declared Year 2000 compliant.

The Office of Inspector General continues to be involved the process of monitoring agency progress on Year 2000 remediation. A review has been completed of the Renovation phase of the Year 2000 project, and several recommendations have been adopted. A review of the Validation phase will begin in November 1998 and cover telecommunications and vulnerable systems.

USDA continues to enforce a moratorium on all new information technology purchases in excess of $25,000. Waivers are only granted for a mission-based emergency or to address Year 2000 compliance issues.

4.   **Describe the management actions taken and by whom when a responsible organization falls behind schedule.**

Each agency within USDA has established internal control procedures which are followed when a Year 2000 project falls behind schedule. Agencies are required to provide monthly reports to the Year 2000 program office on the status of their

efforts, issues, and potential areas of concern which may impact meeting required deadlines. These reports are reviewed and analyzed by the Office of the Chief Information Officer staff.

The Chief Information Officer takes an aggressive role in assisting agencies in resolution of Year 2000 problems. This may include addressing contracting problems, delegation of authority, human resources, and availability of financial resources.

V.   Continuity of Business Plans.

Describe your agency's approach to ensure continuity of your core business functions, Your discussion should also include schedules and milestones and your high-level core business functions. Agencies should use the GAO document, Year 2000 Computing Crisis: Business Continuity and Contingency Planning, (March 1998, currently in exposure draft), as a guide.

As reported in August 1998, guidelines on business continuity (contingency) planning were issued to Mission Areas and Staff Offices officials in July. As part of the Office of the Chief Information Officer continuing assistance and guidance, workshop training sessions were conducted on business continuity (contingency) planning. The workshop training was provided throughout the months of August and September for all employees assigned the task of developing their mission area or agency business continuity plan.

Mission Areas, Departmental Administration, and Staff Offices have submitted their Business Continuity (Contingency) Plans to the Office of the Chief Information Officer, in accordance with the milestone schedule. All plans are being reviewed and analyzed by the Year 2000 Program Office. The next step review and analysis of plans will encompass the USDA Business Continuity (Contingency) Plan which will be submitted to the Secretary. This process will be the most critical part of the project to ensure that our methodology and assessment of business functions are ranked according to critical priority to continue business operation on January 1, 2000.

The Business Continuity Planning Guide was revised in October 1998. The USDA Core Business Processes and the Business Continuity Project Plan are found in Attachment 4.

VI.   Exception Report on Systems.

Provide a brief status of work on each mission critical system not Year 2000 compliant which is either (1) being replaced and has fallen behind the agency's internal schedule by two months or more, or (2) being repaired and has fallen behind the agency's milestones by two months or more.

The agencies regularly report systems which will not meet an internal agency milestone but will meet the March 1999 federal implementation date. The Year 2000 Program Office is working closely with the agencies to ensure that progress is being made.

a. **If this is the first time this system is reported, include:**

    1. **An explanation of why the effort to fix or replace the system has fallen behind and what is being done to bring the effort back on schedule**.

    2. **The new schedule for replacement or completion of the remaining phases.**

    3. **A description of the funding and other resources being devoted to completing the replacement or fixing the system**.

b. **If this system has been previously reported and remains behind schedule, include**:

    1. **An explanation of why the system remains behind schedule and what actions are being taken to mitigate the situation.**

    2. **A summary of the contingency plan for performing the function supported by the system should the replacement or conversion effort not be completed on time. Indicate when the contingency plan would be triggered, and provide an assessment of the effect on agency operations should the system fail. If you do not yet have a contingency plan, indicate when it will be in place.**

The Animal and Plant Health Inspection Service reports 2 systems for this First Time Exception Report:

System Name	Explanation	New Schedule	Funding & Resources
Licensing & Registration Information System (APHIS)	Data entry forms 80% complete and being renovated and finalized.	Renovation phase to be completed by the end of December 1998; Implementation expected by the end of March 1999.	Internal agency resources.
Information System Upgrade Project (APHIS)	Contract kick-off began on Oct. 1, 1998 with delivery of design specifications to contractor. Contractor delivered a remediation plan on Oct. 30, 1998. Office of the Chief Information Officer waiver for additional contractor support was granted, and requires a contingency plan. APHIS is completing a plan now.	Renovation phase to be completed by the end of January 1999; Implementation expected by the end of March 1999.	Additional contractor support.

VII. **Systems scheduled for implementation after March 1999.**

Please include a list of those mission critical systems where repair or replacement cannot be implemented by the March 1999 deadline. The list should include:

a. **The titles of the systems.**

b. **A brief description of what the system does.**

c. **The reason that the system cannot be implemented by the deadline.**

USDA information is in the following chart.

Systems scheduled for implementation after March 1999

Title of System *(a)*	Description of System *(b)*	Deadline Reason *(c)*
Census of Agriculture *(NASS)*	System is used for processing the census of Agriculture which is carried out every 5 years. The system fail date is 2001.	The new system will be ready for the next census which begins in 2001 and will be Year 2000 compliant.
Accounts Receivable System *(RMA)*	The system keeps subsidiary transaction level accounts for producers who were once insured directly by the agency. This includes all of their billing, payment, and indemnity information and subsequent adjustments. This includes data from Treasury, FSA, and IRS related to these accounts.	System scheduled for retirement on September 30, 1999. Database being used for historical purposes for collection and internal reporting only.
Debt Management System *(RMA)*	This system handles all phases of debt processing including due process, interest attachment, establishment of a debt account, debt reporting, interfaces with IRS, credit reporting agencies, and credit bureaus and 10 years write off processes.	Scheduled for shut down September 30, 1999. Database being used for historical purposes for collection and internal reporting only.
Federal Tax Refund Offset Program (FTROP) *(FNS)*	The Federal Debt Collection Program *(a combination of the Federal tax Refund Offset Program and the Salary Offset Program)* is part of Treasury's Financial Management Service/IRS and Food Nutrition Service effort to collect delinquent accounts owed the Federal Government by individuals due to fraud or household error in the Food Stamp Program.	System is not date-driven. System has a sunset of 12/31/99. While this system is mission-critical, USDA cannot proceed independently from the Department of Treasury which has indicated the replacement. System can not be implemented until 12/99. System scheduled to be implemented 12/99.
Financial Accounting and Reporting System (FARS)	Internal funds control and reporting system.	Initial vendor estimates were based on misunderstandings between it and the agency financial staff. The vendor revised its estimate completion dates: first phase is now April 1, 1999, and the final phase

Title of System *(a)*	Description of System *(b)*	Deadline Reason *(c)*
(FAS)		October 1, 1999.
Cotton Online Processing System (FSA)	Keeps track of cotton inventories, price support loans, maintains electronic receipts, keep track of benefits.	Replacement strategy for five systems. Three systems have been renovated and are compliant. Cost too much to repair existing systems. Departmental approval for replacement strategy. Completion scheduled for July 1999.

1. A summary of the contingency plan for performing the function supported by the system should the replacement or conversion effort not be completed on time. Indicate when the contingency plan would be triggered, and provide an assessment of the effect on agency operations should the system fail, including anticipated problems. If you do not yet have a contingency plan, indicate when it will be in place.

Contingency policy guidelines have been issued to all mission areas and agencies, and plans have been received. We anticipate that an overall USDA Contingency plan will be in place by the end of December 1998.

VIII.   Other Management Information.

a.   On the first row, report your estimates of costs associated with Year 2000 remediation, including both information technology costs as well as costs associated with non-IT systems.

Report totals in millions of dollars. (For amounts under $10 million, report to tenths of a million.)

Fiscal Year	1996	1997	1998	1999	2000	Total
Current Cost	$2.7	$16.9	$62.1	$75.5	$7.8	$165.0

b.   If there have been dramatic changes in cost, please explain.

This report reflects an overall increase of $45.2 million from our August reported cost estimate of $119.8 million.

The dramatic change in the cost estimate is due to funding needs for

activities in support of the President's Council on Food Supply Working Group, and the need to replace non-compliant systems, including hardware, software, embedded chip technology and scientific equipment. Funding needs for additional systems and end-to-end testing, independent verification and validation, telecommunications remediation and business continuity (contingency) planning have also been identified. USDA is preparing proposed allocation and detailed plan for an emergency supplemental funding request of $36.3 million to achieve Year 2000 compliance. The plan will be submitted to the Office of Management and Budget in November 1998.

c.   If there have been significant changes to your agency's schedule, changes in the number of mission critical systems, changes to the number of systems behind schedule, please explain.

During the latest reporting period, we established a department-wide, standard definition of "system", which explains the change in our numbers. "System" is now defined as a collection of components which support core business processes or activities, and enable production, program, or service delivery

d.   Are there any concerns with the availability of key personnel?

USDA has required agencies to provide information on all individuals critical to achieving Year 2000 compliance. Information obtained includes the name, title, location, grade, and series of each individual occupying a critical Year 2000 position. Initial analysis reveals that approximately 25 percent of USDA's IT workforce is considered "critical" to the Department's Year 2000 effort. The data will be used by the Office of the Chief Information Officer leadership and the Year 2000 team for planning and strategy development purposes.

e.   Are there any other problems affecting progress?

Agencies report that funding has negatively impacted progress.

Crosswalk of Change in USDA Baseline Systems

Total Number of Mission-Critical	Number Compliant	Number To Be Replaced	Number To Be Repaired	Number To Be Retired
August Report 647	406 63%	56 9%	171 26%	14 2%
August Report with revised baseline 362	155 43%	49 13%	152 42%	6 2%
Current 362	234 65%	41 11%	79 22%	8 2%

A. The National Agricultural Statistics Service (NASS) reduced the number of mission critical systems by 251 from 264 in August to 13 in November. This was in response to recommendations made by the Office of Inspector General (OIG). The OIG had questioned the number of mission critical systems reported by NASS. By using a standard definition of a "mission-critical" system, NASS reduced the number of mission critical systems to a level more consistent with other USDA agencies. The reduction in NASS systems will make it easier to evaluate Y2K progress throughout the Department.

B. The Farm and Foreign Agricultural Services (FFAS) mission area re-evaluated their reporting process to ensure consistency throughout the mission area. As a result, the following changes occurred in the number of mission-critical systems within FFAS agencies:

1. The Farm Service Agency (FSA) Headquarters reduced the number of mission-critical systems from 14 to 3, a decrease of 11. The change was made to comply with the findings of the USDA Office of Inspector General (OIG) and to be more consistent with the format of the consolidated FSA report. Prior to this report, FSA Headquarters and FSA Kansas City submitted separate reports. Most of the systems previously listed as mission-critical by FSA/HQ were determined not to be mission-critical.

2. The Foreign Agricultural Service (FAS) reduced the number of mission-critical systems by 3, from 15 to 12. FAS determined that "Hardware," "Commercial Off the Shelf Software" and "Other Support Activities" did not meet the criteria for mission-critical systems and were removed.

3. Between the August Quarterly Report and November, the Farm Service Agency (FSA) Kansas City reduced the number of mission-critical systems by 6, from 159 to 153. Three systems were retired, two were replaced and one system was determined reclassified as non-mission-critical.

C. Departmental Administration (DA) reassessed their core Y2K mission-critical applications during the development of our Business Continuity Plan. As a result of this reassessment, DA determined there are six applications critical to DA's mission. DA had previously reported 19 mission-critical systems.

D. The Office of Communications (OC) retired 1 system, reducing their number of mission-critical systems from 9 to 8.

USDA Top Mission Critical Systems

Mission Area	Agency	Name of Mission Critical System	Status	
Marketing and Regulatory Programs	Agricultural Marketing Service	Market News Information System	Economic Impact	
Marketing and Regulatory Programs	Agricultural Marketing Service	Financial Information System	Financial	
	Agricultural Marketing Service Count		2	
Marketing and Regulatory Programs	Animal and Plant Health Inspection Service	Export Certification Project (EXCERPT)	Economic Impact	
Marketing and Regulatory Programs	Animal and Plant Health Inspection Service	Laboratory Information Management System	Health and Safety	
Marketing and Regulatory Programs	Animal and Plant Health Inspection Service	Licensing and Registration Information System (LARIS)	Health and Safety	
Marketing and Regulatory Programs	Animal and Plant Health Inspection Service	Generic Database (GDB)	Health and Safety	
Marketing and Regulatory Programs	Animal and Plant Health Inspection Service	Agricultural Quarantine Inspection Monitoring/Workload Analyis D	Health and Safety	
	Animal and Plant Health Inspection Service Count		5	
Farm and Foreign Agricultural Services	Farm Service Agency/Headquarters	FCIC System	Economic Impact	
Farm and Foreign Agricultural Services	Farm Service Agency/Headquarters	Financial, Accounting, & Info Reporting Sys	Financial	
	Farm Service Agency/Headquarters Count		2	
Farm and Foreign Agricultural Services	Farm Service Agency/Kansas City	717 APSS #2	Economic Impact	
Farm and Foreign Agricultural Services	Farm Service Agency/Kansas City	118 - CRP	Economic Impact	
Farm and Foreign Agricultural Services	Farm Service Agency/Kansas City	123 Production Flexibility Contract Payments	Financial	
Farm and Foreign Agricultural Services	Farm Service Agency/Kansas City	534 GIMS	Economic Impact	
Farm and Foreign Agricultural Services	Farm Service Agency/Kansas City	78 Automated Claims	Financial	
Farm and Foreign Agricultural Services	Farm Service Agency/Kansas City	80 - Common Receivables	Financial	
Farm and Foreign Agricultural Services	Farm Service Agency/Kansas City	77 - Cash Receips	Financial	
Farm and Foreign Agricultural Services	Farm Service Agency/Kansas City	76 - Check Writing	Financial	
Farm and Foreign Agricultural Services	Farm Service Agency/Kansas City	102 Direct Deposits	Financial	
Farm and Foreign Agricultural Services	Farm Service Agency/Kansas City	86 - Data Control System	Financial	
Farm and Foreign Agricultural Services	Farm Service Agency/Kansas City	88 - Assignment/Joint Payments	Financial	
Farm and Foreign Agricultural Services	Farm Service Agency/Kansas City	540 CDC - Processed Commodity Inventory Mgmt. System	Health and Safety	
	Farm Service Agency/Kansas City Count		12	
Food, Nutrition and Consumer Services	Food and Nutrition Service	National Integrated Quality Control System (NIQCS)	Economic Impact	
Food, Nutrition and Consumer Services	Food and Nutrition Service	Agency Financial Management System (AFMS)	Financial	
Food, Nutrition and Consumer Services	Food and Nutrition Service	Anti-Fraud Locator using EBT Retailer Transactions (ALERT)	Financial	
Food, Nutrition and Consumer Services	Food and Nutrition Service	Disqualified Recipient Subsystem (DRS)	Financial	
Food, Nutrition and Consumer Services	Food and Nutrition Service	Food Stamp Program Integrated Information System (FSPIIS)	Health and Safety	
Food, Nutrition and Consumer Services	Food and Nutrition Service	Regional Office Administrated Program (ROAP)	Health and Safety	
Food, Nutrition and Consumer Services	Food and Nutrition Service	Special Nutrition Program Integrated Information System (SNPIIS	Health and Safety	
Food, Nutrition and Consumer Services	Food and Nutrition Service	Coupon Requisition and Inventory Management Subsystem (CRIM	Health and Safety	
Food, Nutrition and Consumer Services	Food and Nutrition Service	Store Tracking, Authorization and Management Subsystem (STAF	Health and Safety	
	Food and Nutrition Service Count		9	
Food Safety	Food Safety and Inspection Service	Automated Import Information System (AIIS)	Health and Safety	
Food Safety	Food Safety and Inspection Service	Performanced Based Inspection System (PBIS)	Health and Safety	
Food Safety	Food Safety and Inspection Service	Planned Compliance Program (PCP)	Health and Safety	
Food Safety	Food Safety and Inspection Service	Residue Violations Information System (RVIS)	Health and Safety	
	Food Safety and Inspection Service Count		4	
Natural Resources and Environment	Forest Service	Fire & Aviation Management - F&AM	Health and Safety	
	Forest Service Count		1	
Natural Resources and Environment	Natural Resources Conservation Service	Climate System	Health and Safety	
Natural Resources and Environment	Natural Resources Conservation Service	Climate Datebase Facility	Health and Safety	
Natural Resources and Environment	Natural Resources Conservation Service	Snow Telementry Data Collection Office Software (SNOTEL)	Health and Safety	

	Natural Resources Conservation Service Count		3
Staff Office	OCFO/National Finance Center	Accounting Applications	Financial
Staff Office	OCFO/National Finance Center	Administrative Payments	Financial
Staff Office	OCFO/National Finance Center	Billings & Collections	Financial
Staff Office	OCFO/National Finance Center	Payroll/Personnel	Financial
Staff Office	OCFO/National Finance Center	Thrift Savings Plan	Financial
	OCFO/National Finance Center Count		5
Staff Office	Office of Operations	Hearing Impaired Paging (HIP) System	Health and Safety
	Office of Operations Count		1
Farm and Foreign Agricultural Services	Risk Management Agency	Reinsurance Accounting Sysem	Financial
Farm and Foreign Agricultural Services	Risk Management Agency	Acturaial Filing System	Financial
Farm and Foreign Agricultural Services	Risk Management Agency	Data Acceptance System	Financial
	Risk Management Agency Count		3
Rural Development	Rural Development	Dedicated Loan Origination and Servicing System	Financial
Rural Development	Rural Development	Federal Finance Bank Loan Accounting System	Financial
Rural Development	Rural Development	Guaranteed Loan Accounting System	Financial
Rural Development	Rural Development	Automated Multi-Housing Accountng System	Financial
Rural Development	Rural Development	Program Loan Accounitng System	Financial
Rural Development	Rural Development	Rural Telephone Bank Loan Accounting System	Financial
Rural Development	Rural Development	Rural Utilities Loan Accounting System	Financial
	Rural Development Count	7	
	Grand Count	54	

USDA
Core Business Processes
And
Business Continuity Project Plan

November 13, 1998

USDA CORE BUSINESS PROCESSES

Farm Service Agency (RMA, FAS, FSA)

Foreign Agricultural Service:
1. Assess and Prioritize Needs
2. Invest Resources
3. Deliver Service
4. Evaluate Results

Farm Service Agency:
1. Assessment
2. Create Policy and Procedure
3. Implement

Research, Education, and Economics

Agricultural Research Service:
Cooperative State Research, Education & Extension Service:
Economic Research Service:
National Agricultural Statistics Service:

Core Business Processes are:
1. Identify, Evaluate and Manage Priorities
2. Create knowledge and Information
3. Transfer Knowledge and Information

Rural Development
1. Assessing
2. Investing
3. Servicing
4. Value Reporting

Natural Resources & Environment (FS & NRCS)

Forest Service:
1. Evolve the mission, vision, strategies, policies, standards and regulations needed in each business area,
2. Plan a course of action
3. Implement activities
4. Monitor, evaluate assess, report, and provide feedback

Natural Resources Conservation Service:
1. Conduct Resource Inventories and Assessments
2. Develop Conservation Plans
3. Implement Conservation Plans
4. Measure Performance and Conduct Program Assessments
5. Develop and Transfer Conservation Technology
6. Provide Conservation Information and Training
7. Provide Administrative Support

Marketing & Regulatory Program
(AMS, GIPSA, APHIS)

Agricultural Marketing Service:
1. Promote Market Competitiveness
2. Perform Assessment Services
3. Ensure Fair Trade

Grain Inspection, Packers & Stockyards Administration:
1. Enforce the Packers & Stockyards Act
2. Provide official inspection and weighing services
3. Develop standards and testing methodology for grain, rice, edible beans, peas and lentils, and processed commodities

USDA CORE BUSINESS PROCESSES

Food Safety

Food Safety and Inspection Service:
1. Establish FSIS Policy
2. Assess Risk
3. Verify Industry Compliance ad Acceptance
4. Enforce Laws and Regulations
5. Educate and Inform External Stakeholders
6. Evaluate and Adjust

Food, Nutrition & Consumer Services
1. Operation of the Agency Financial Management System
(Covers key processes for the Child Nutrition & WIC Programs)
2. Delivery of Food Stamp Benefits
3. Delivery of Commodities to Recipient Agencies
4. Operation of the Regional Office Administered Program (ROAP) System
5. Operation of Building Infrastructure Systems
6. Operation of Automated Acquisition Systems

Animal & Plant Health Inspection Service:
1. Conduct Inspections
2. Conduct Surveys
3. Identify Pests/Diagnose Diseases
4. Assess Risks
5. Analyze Pest Infestation/Disease/Predation Patterns
6. Manage Threats
7. Authorize Commodity Movement
8. Issue Business Authorization
9. Develop Methods
10. Produce/Manufacture Products, Materials, Items, or Support Equipment
11. Investigate/Adjudicate Alleged Violations

USDA CORE BUSINESS PROCESSES

Departmental Administration

1. Buildings, Operations, & Maintenance
2. Policy Development & Dissemination
3. Purchasing Equipment, Services & Supplies
4. Personnel & Payroll Services
5. Financial & Accounting Services
6. Outreach Services
7. Adjudication/Compliance

National Appeals Division

1. Conducting Appeal Hearings
2. Issuing Appeal Determinations
3. Conducting and Issuing Director Reviews
4. Major Infrastructure Systems

Office of Communications

1. Conduct Reviews of USDA agency communication plans, proposals and develop communication strategies
2. Provide centralized telecommunications, video, photo & design facilities to USDA agencies
3. Ensuring that the public has the maximum exposure and access to information
4. Strengthen USDA employees' and the public's knowledge & understanding of programs and program delivery
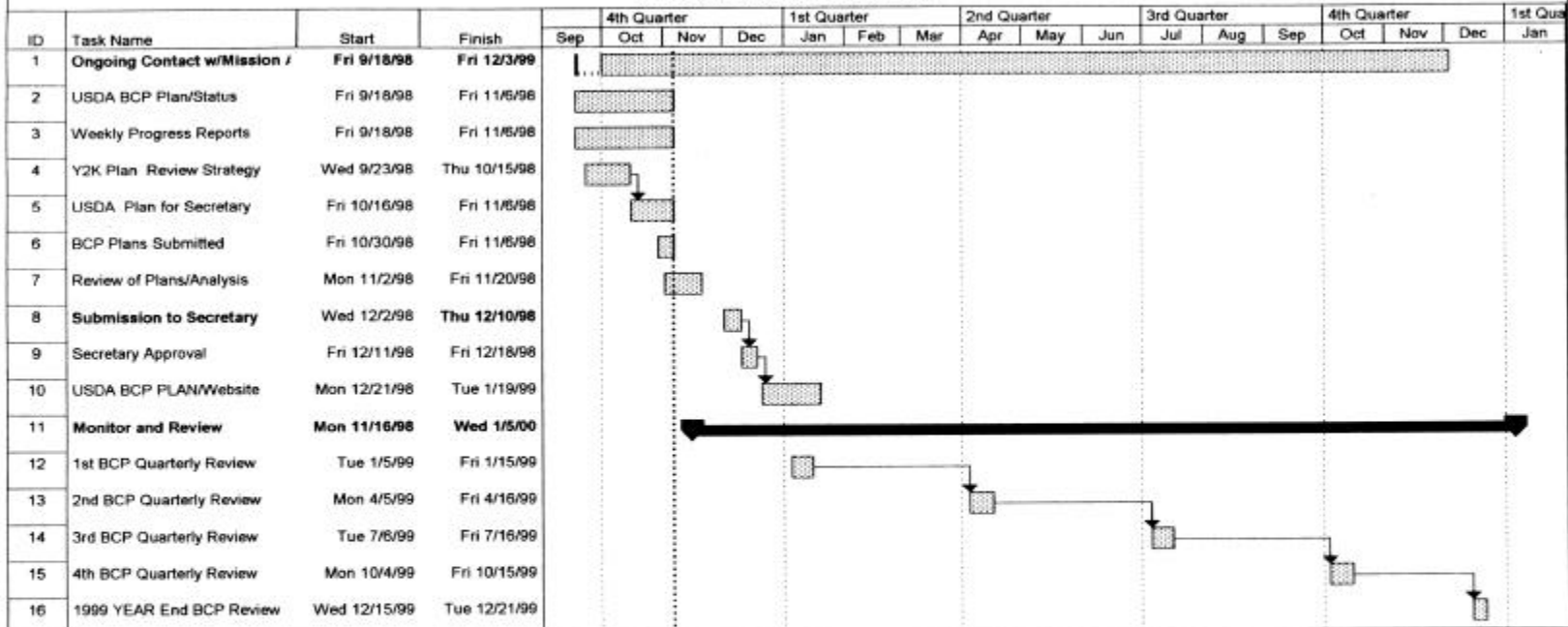
Office of the Chief Financial Officer

1. Accounting Applications
2. Administrative Payments
3. Billings and Collections
4. Payroll/Personnel
5. Property
6. Thrift Savings Plan

Office of the Chief Information Officer

1. Perform Program Management
2. Manage Information
3. Provide Applications Information Systems
4. Provide Information Technology

YEAR 2000
Business Continuity (contingency) Plan
Outline

(September 1998 thru January 2000)

ID	Task Name	Start	Finish
1	Ongoing Contact w/Mission /	Fri 9/18/98	Fri 12/3/99
2	USDA BCP Plan/Status	Fri 9/18/98	Fri 11/6/98
3	Weekly Progress Reports	Fri 9/18/98	Fri 11/6/98
4	Y2K Plan Review Strategy	Wed 9/23/98	Thu 10/15/98
5	USDA Plan for Secretary	Fri 10/16/98	Fri 11/6/98
6	BCP Plans Submitted	Fri 10/30/98	Fri 11/6/98
7	Review of Plans/Analysis	Mon 11/2/98	Fri 11/20/98
8	Submission to Secretary	Wed 12/2/98	Thu 12/10/98
9	Secretary Approval	Fri 12/11/98	Fri 12/18/98
10	USDA BCP PLAN/Website	Mon 12/21/98	Tue 1/19/99
11	Monitor and Review	Mon 11/16/98	Wed 1/5/00
12	1st BCP Quarterly Review	Tue 1/5/99	Fri 1/15/99
13	2nd BCP Quarterly Review	Mon 4/5/99	Fri 4/16/99
14	3rd BCP Quarterly Review	Tue 7/6/99	Fri 7/16/99
15	4th BCP Quarterly Review	Mon 10/4/99	Fri 10/15/99
16	1999 YEAR End BCP Review	Wed 12/15/99	Tue 12/21/99

Legend:

Task	Rolled Up Task	External Tasks
Progress	Rolled Up Milestone	Project Summary
Milestone	Rolled Up Progress	
Summary	Split	

Y2K

Fri 11/6/98

[Date]